

On-Site Commercial Solar

Key Considerations and Funding Models

March 2024

About Us – Two Blues Solar

What we fund and manage:



Obtaining Permissions



Design, Equipment & Installation



Ongoing Operations & Maintenance

Fully Funded via a Power Purchase Agreement (PPA)

POLL

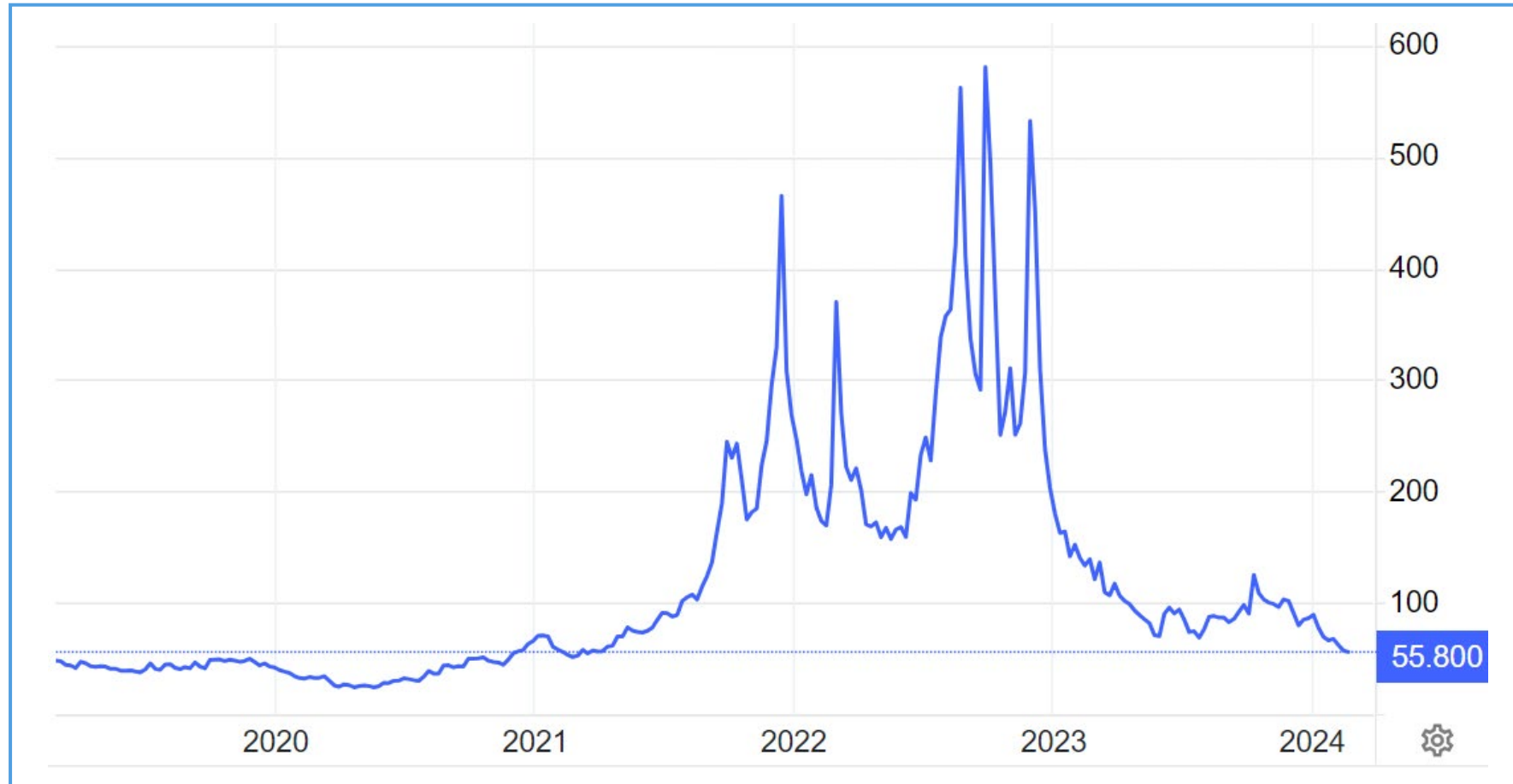
Why Are You Interested In Solar (choose all that apply)?

- ☀ I want to reduce my energy costs
- ☀ I want to have greater energy security
- ☀ I think on-site solar has good PR benefits
- ☀ Sustainability is a key priority
- ☀ I want to use it to generate revenue from my land



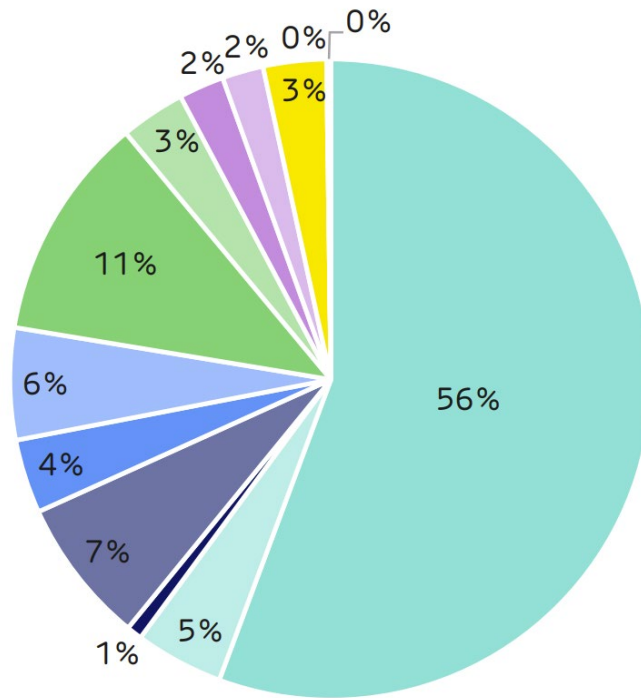
Energy Prices: Can We Relax?

UK Electricity Spot Prices (GBP/MWh):



Energy Prices: Non-Commodity Costs

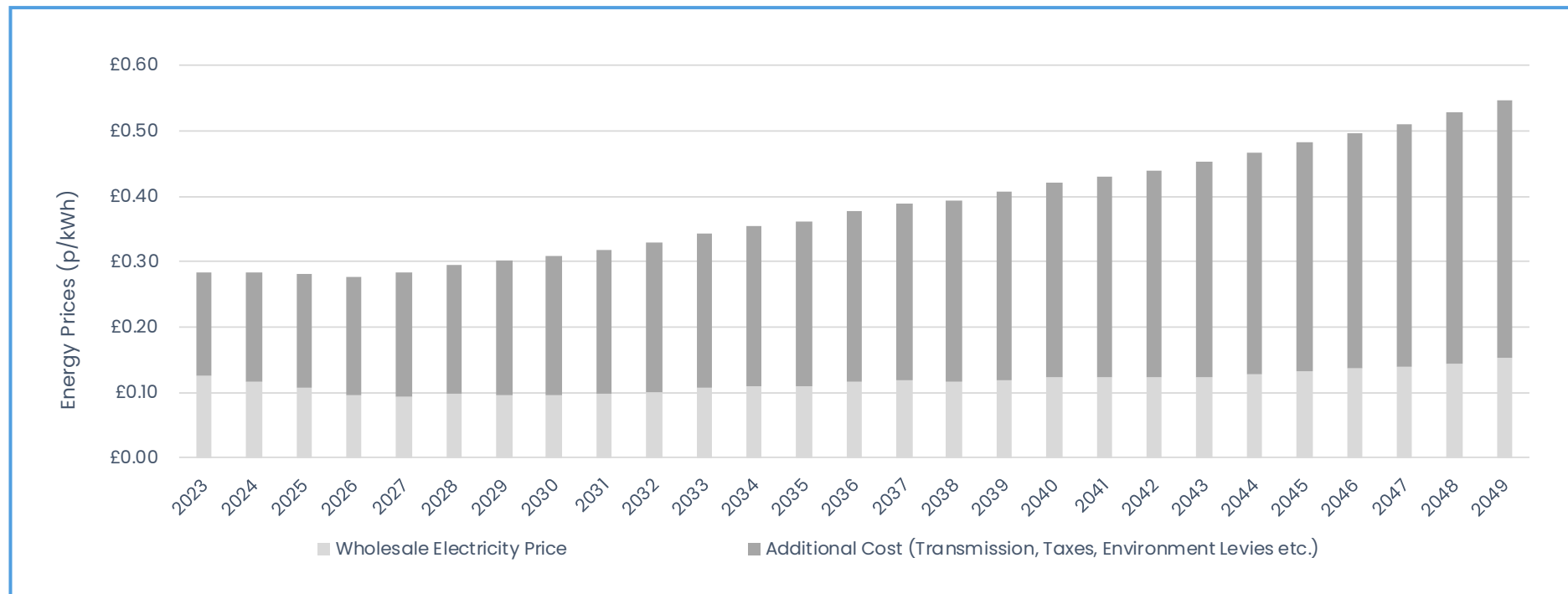
Cost Breakdown, 2023/24:



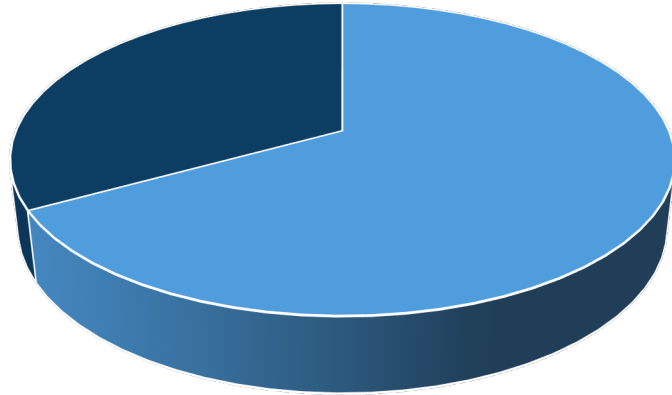
- Energy Average Wholesale Cost ***
- Distribution Losses (Average 8%)
- Transmission Losses (Average 1.4%)
- Distribution Use of System (DUoS)
- Transmission Use of System (TNUoS)
- Balancing Service Use of System (BSUoS) *
- Renewables Obligation (RO)
- Feed in Tariff (FIT)
- Contracts for Difference (CfD)*
- Capacity Market (CM)**
- Climate Change Levy (CCL)
- Elexon*
- Assistance for Areas of High Electricity Distribution Costs (AAHEDC)**

Energy Prices: What's on the Horizon?

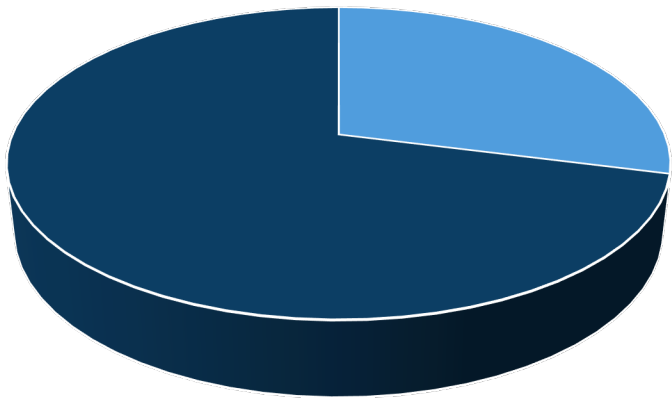
Projected Energy Prices:



Net Zero Goals

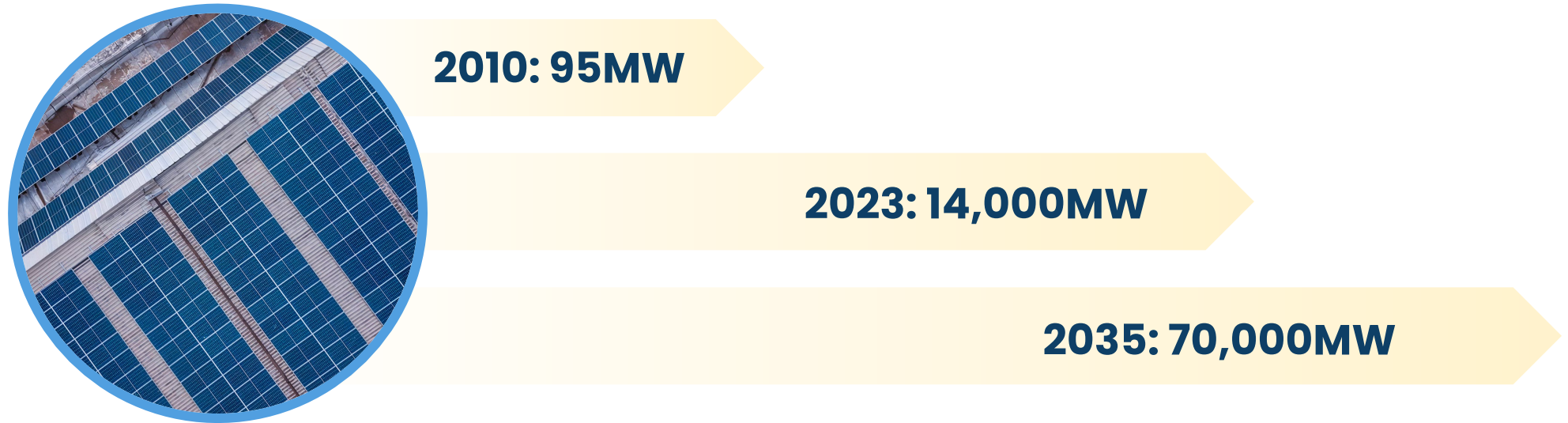


Two-thirds of the UK's largest businesses have pledged to reach Net Zero by 2050

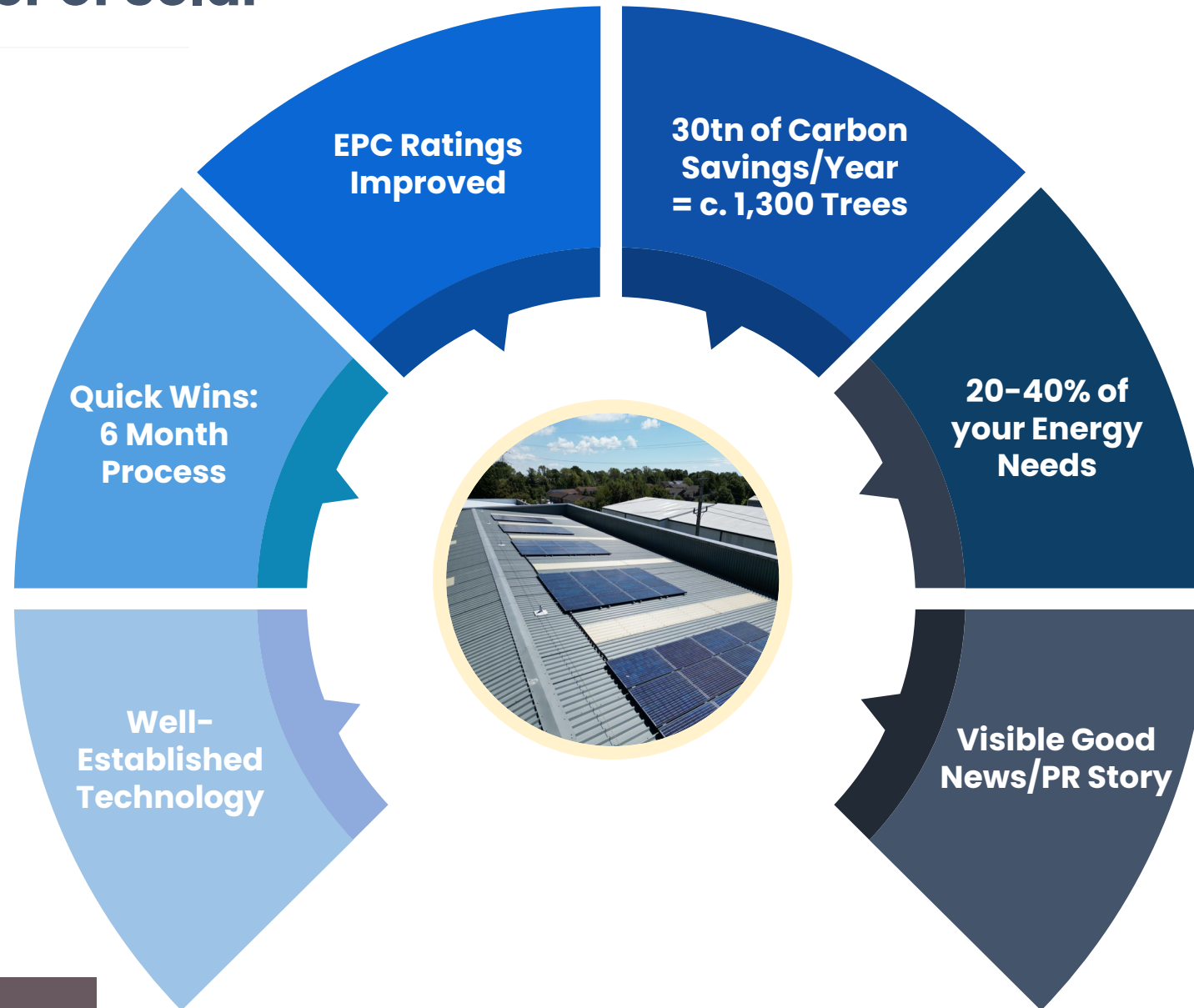


Research shows that only 29% of UK businesses have a strategy for reaching Net Zero, with 42% of businesses feeling overwhelmed by the steps they need to take to reach that goal.

UK Solar Capacity



The Power of Solar



Untapped Potential

Only 5% of UK Warehouses Have Solar



POLL

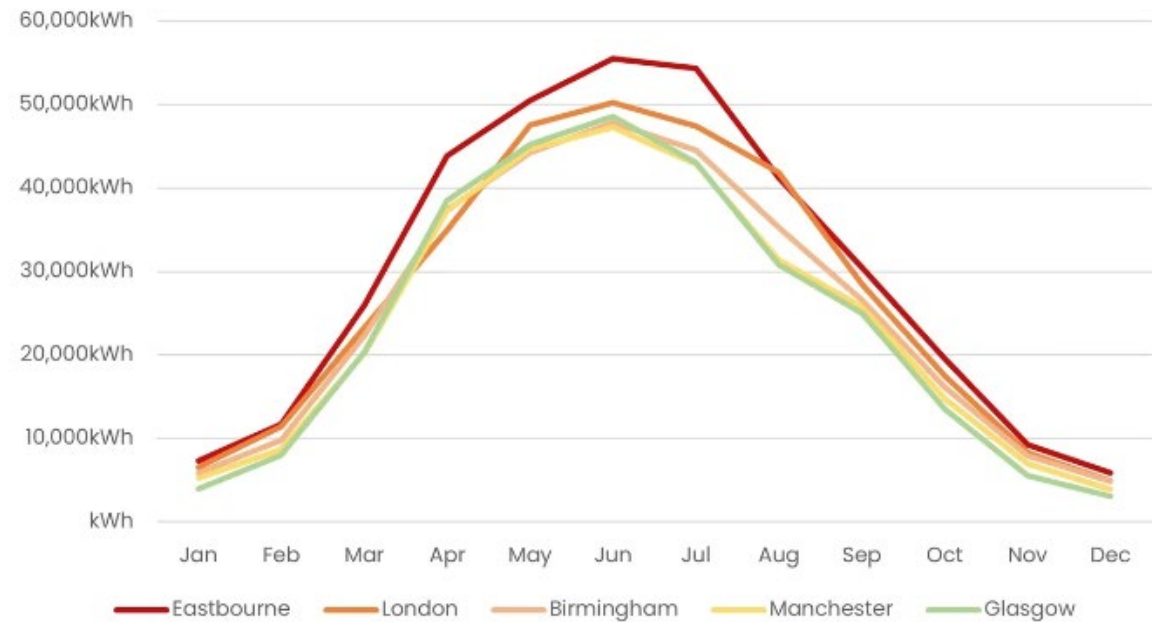
Why Have You Not Yet Installed Solar?

- ⚙ Not Yet A Priority – Focusing On Other Sustainability Solutions
- ⚙ Premises Aren't Suitable
- ⚙ Not Convinced Of Its Benefits
- ⚙ Costs Too Much
- ⚙ Payback Period Is Too Long
- ⚙ Lack Of Time / Resource



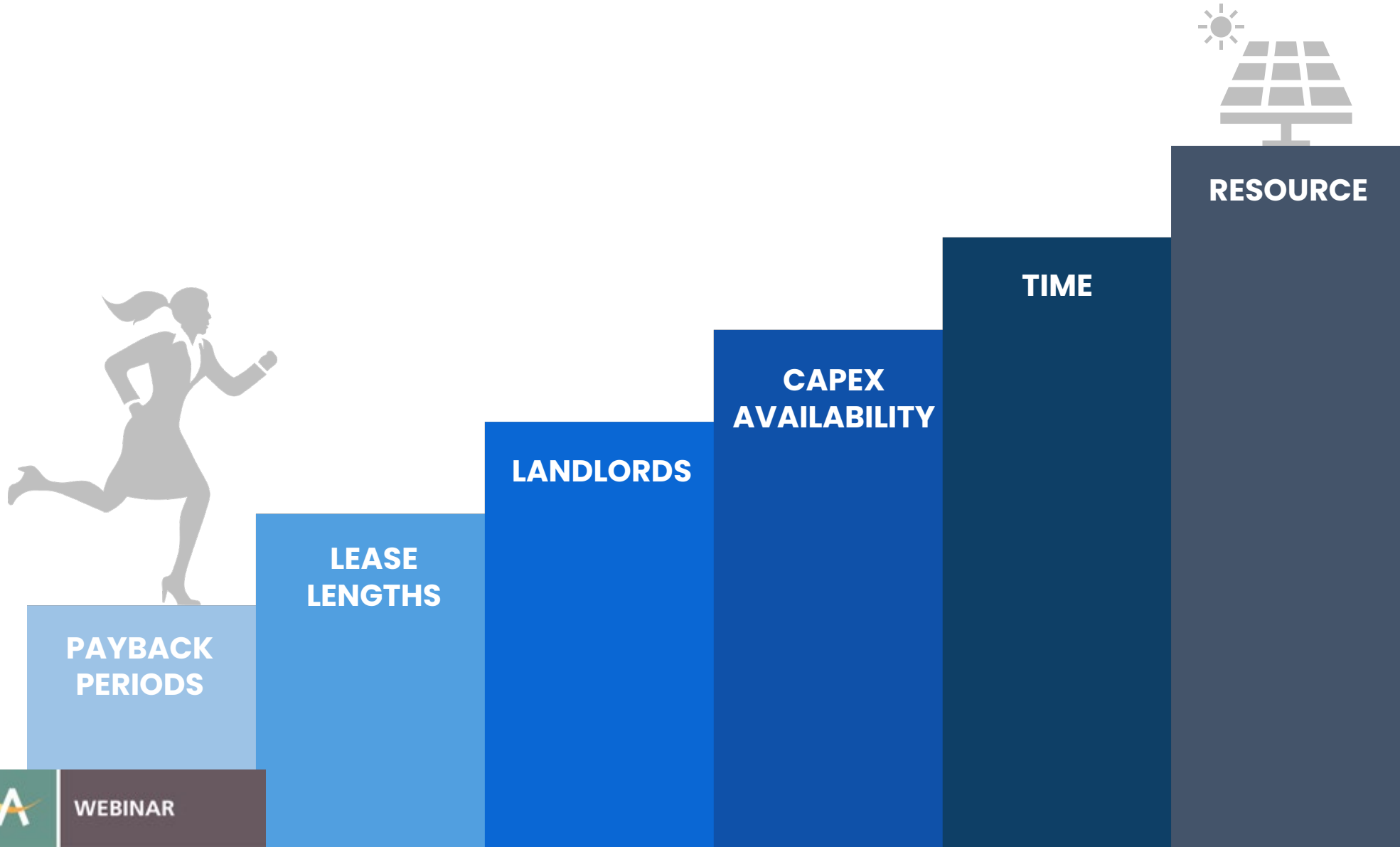
Solar across the UK

Here's a look at how solar production varies in each location across the year:



	Eastbourne	London	Birmingham	Manchester	Glasgow
Annual Saving	£60,463.23	£54,323.04	£51,466.18	£49,162.70	£48,544.43
June Saving	£9,432.86	£8,474.39	£8,028.72	£7,669.38	£7,572.93

What is Slowing Solar Expansion?



Key Considerations



What % of your Energy Needs Can Solar Solve?

- ⚙️ **Optimal System Size?**
- ⚙️ **Roof/Land Suitability?**
- ⚙️ **Carbon Savings?**
- ⚙️ **Cost Savings?**



Installer Due Diligence

- ⚙️ **Warranties**
- ⚙️ **Past Experience**
- ⚙️ **Equipment Quality**



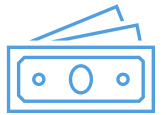
Timescales

- ⚙️ **3 Months Consent**
- ⚙️ **3 Months Installation Lead Time**



Maintenance and Reporting

- ⚙️ **£5K-£10K/year + inflation**
- ⚙️ **Monitoring**



Finance Options

- ⚙️ **Self-fund**
- ⚙️ **Asset Finance**
- ⚙️ **PPA**

How Do PPAs Work?

We fund 100% of the procurement, installation and ongoing maintenance of solar panels on the roofs of our clients' buildings.

We manage everything from planning, installation, grid connection, lifetime operations, maintenance and sustainability reporting.

We provide the power at guaranteed, significantly lower-than-market rates through a Power Purchase Agreement (PPA).



10-25 Year
Terms

Fixed Or
Inflation Linked
Pricing

10-20p/kWh
Typical Prices

At the end of the contract, ownership of the asset transfers to the freeholder who benefits from free energy for the remainder of the asset's life.

PPA Benefits

Features	PPA Model	Self-Funded Model
Immediate OPEX Savings	●	
Zero Capex	●	
Reduced Carbon Footprint	●	●
Minimum Client Hassle/Management Time	●	
Long-Term Savings	●	●
25 Year Module Performance Warranty	●	●
Fully Maintained at No Cost	●	
Fully Insured at No Cost	●	
Outsourced Project, Procurement and Performance Risk	●	
Regular Performance Reports	●	
Immediate System Ownership		●
Long-Term System Ownership	●	●
Debt on Client's Balance Sheet		●

Too Good To Be True.....?

Who Qualifies?



Tenants



Energy Consumption >400,000 kWh/year



Landlords

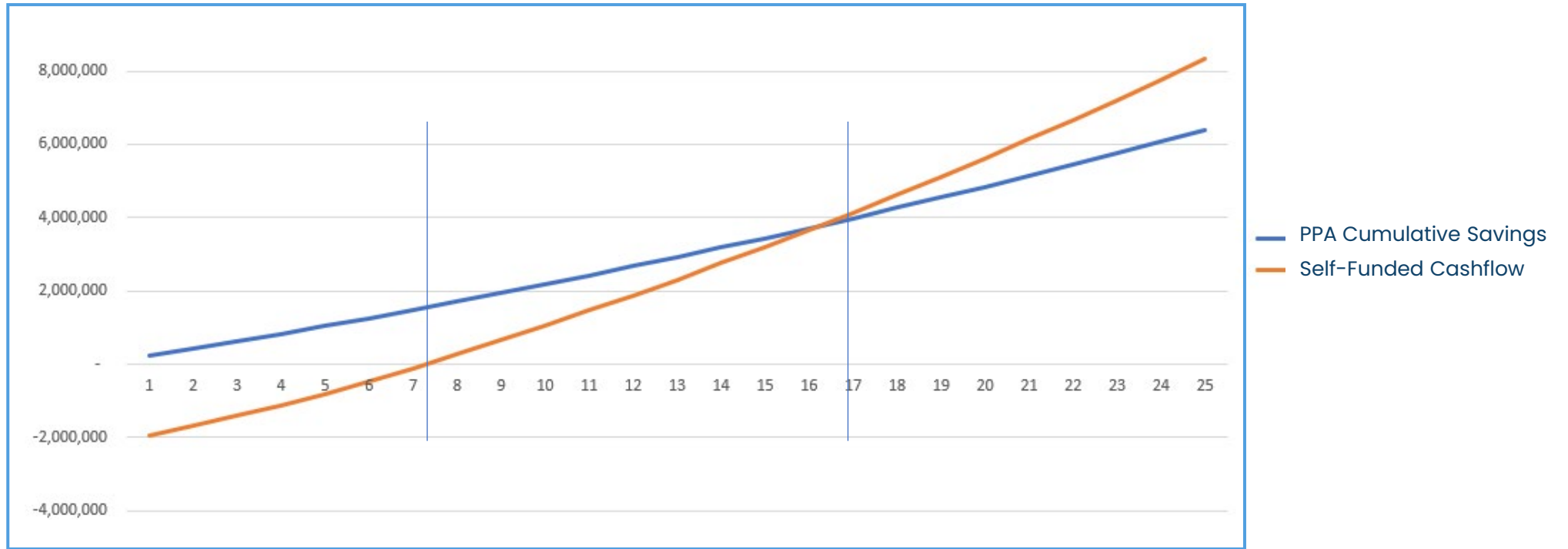


Roof size > 2,000 sqm



Owner Occupiers

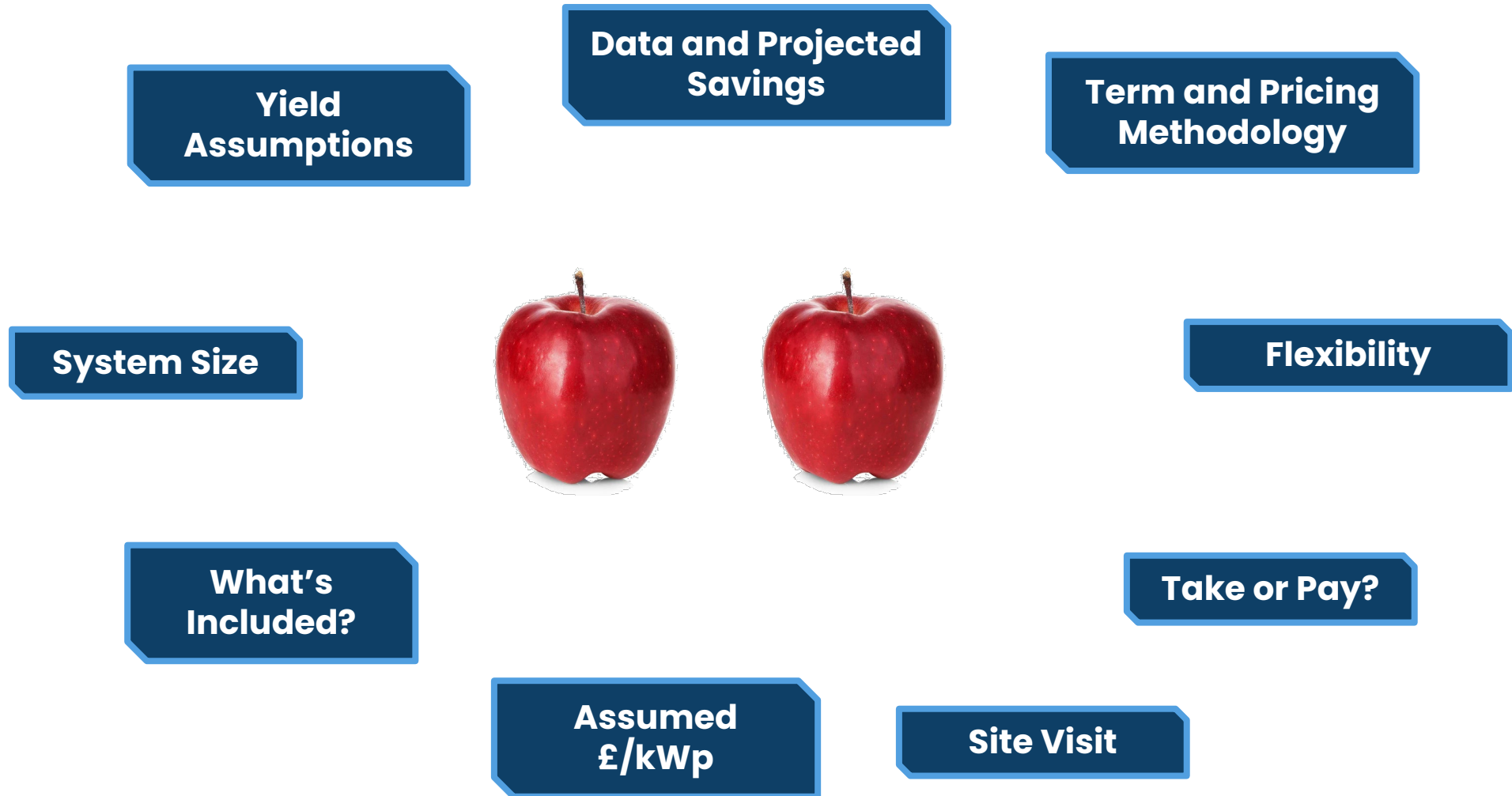
Too Good To Be True? Self-Fund vs PPA



PPA Savings = Retail Cost of Energy – PPA Cost

Self-Funded Savings: Initial Outlay – (Energy Savings + Export Income – Maintenance Costs – Cost of Capital)

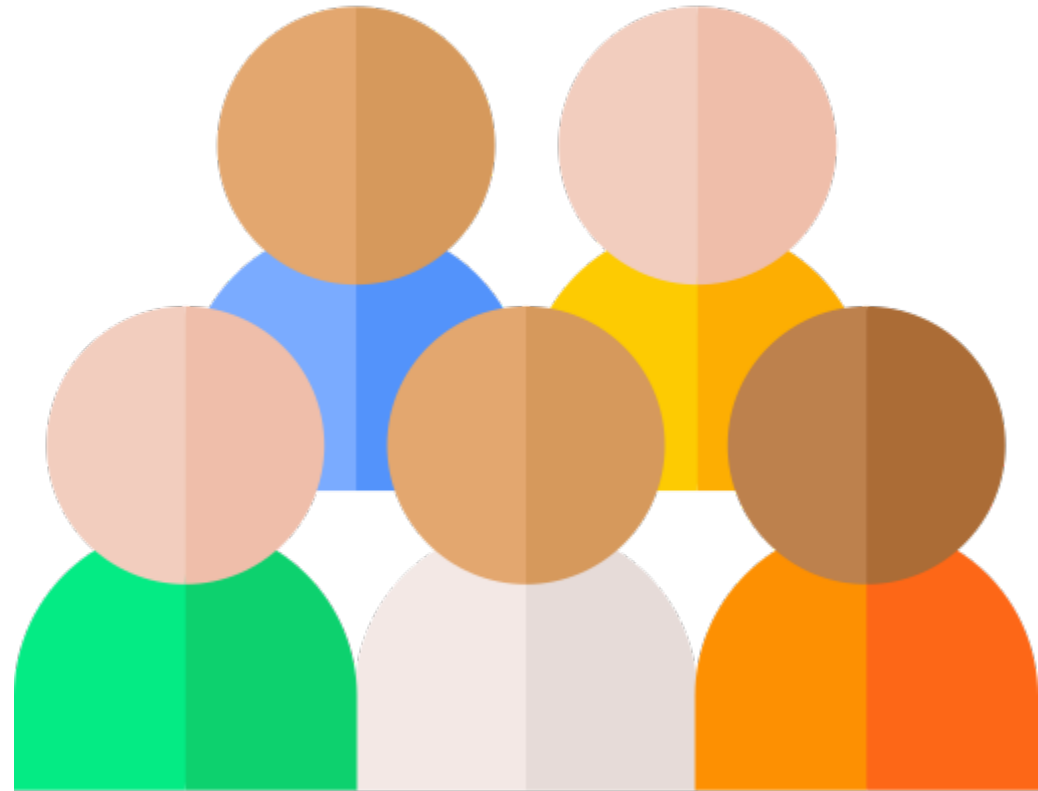
Comparing PPA Quotes



PPA Considerations

Who's Involved.....

- **Installation Partner**
- **Funding Partner**
- **O&M Partner**



Contact Us



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